

IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT COMPANY)
FOR APPROVAL OF MODIFICATIONS TO) PSC DOCKET NO. 13-349F
ITS GAS COST RATES)
(FILED AUGUST 28, 2013))

1

Proposed Gas Cost Rates

| Rate Schedules | Current | Proposed | Change from Current |
|--------------------------------|----------------------|----------------------|-----------------------|
| RG, GG and GL | 68.967¢/CCF | 62.106¢/CCF | (6.861¢)/CCF |
| MVG and LVG Demand | \$11.6589/MCF of MDQ | \$11.9198/MCF of MDQ | \$0.2609/MCF of MDQ |
| Non-Electing MVG Commodity | \$5.1051/MCF | \$4.2536/MCF | (\$0.8515)/MCF of MDQ |
| Electing MVG and LVG Commodity | Varies Monthly | Varies Monthly | N/A |

Under the proposed rates, RG, RSH, and GL customers will experience a 9.9% decrease in the level of the GCR. Residential space heating customers using 120 CCF in a winter month would experience a decrease of \$8.23 or 5.5% of their total bill. GG, MVG, and LVG customers will experience a decrease on their winter bills from 4.6% to 11.7%, depending on load and usage.

Under §303(b) of the Public Utilities Act of 1974, public utilities submit annual applications to adjust the level of fuel costs that are included in their rates. §303(b) further provides that the fuel costs are reconciled from year to year so that the utility recovers only the amount spent on fuel and no more. The Company's tariff contains a similar provision and a formula for reconciling over- or under-recoveries of gas costs from a preceding year.

Additionally, the Company proposes to reconcile and true-up actual versus estimated monthly Commodity Cost Rate assignments for sales under the Large Volume Gas service and for so-called "electing" customers taking service under the Medium Volume Gas classification, and a revision of the balancing charge rate applicable to Gas Transportation Customers.

By Order No. 8457 dated September 26, 2013, the Commission permitted proposed rates to become effective with usage on and after November 1, 2013, with proration, subject to modification and refund after an evidentiary hearing.

On April 24, 2014, starting at 10:00 a.m., the Hearing Examiner will hold an evidentiary hearing to consider whether to grant the requested relief. The evidentiary hearing will be held in the

Conference Room on the third floor of the Carvel State Office Building located at 820 North French Street, Wilmington, Delaware 19801.

Evidentiary Hearings are conducted to formally introduce evidence into the record and to make available for cross-examination the parties' witness testimony, including testimony that may be offered with respect to any settlement agreement that may be reached by the parties prior to the hearings. Members of the public are invited to attend the evidentiary hearings as observers, but only the parties are permitted to present or cross-examine witnesses. Following the conclusion of the evidentiary hearing, the Hearing Examiner will prepare a report containing his recommendation to the Commission. In accordance with 26 *Del. C.* §305 and 29 *Del. C.* §10128, the Commission will make its decision concerning this matter on the basis of the record evidence presented at the public evidentiary hearing and the findings contained within the Hearing Examiner's report.

Anyone who plans to attend the evidentiary hearing should consult the Commission's website on the day of the hearing for cancellation of or changes in the time, place or date of the event. You may also review documents pertaining to this matter on the Commission's website at <http://depssc.delaware.gov/naturalgas.shtml>. If you would like to review the documents related to this matter at the Commission's office, please contact Monica Hall at monica.hall@state.de.us to arrange a time for your review during normal business hours. You may also review copies of these documents at the office of the Division of the Public Advocate located at the Carvel State Office Building, 4th

Floor, 820 North French Street, Wilmington, Delaware 19801. Please call (302) 577-5077 to arrange for a time to review the documents at that location.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. This form may be found at <http://smu.portal.delaware.gov/cgi-bin/mail.php?foia-request&subj=DOS>. There is also a link to the Freedom of Information Act Request Form on the Commission's website, <http://depsec.delaware.gov/default.shtml>. The Commission will respond to your request in accordance with the provisions of the Freedom of Information Act, 29 Del. C. ch. 100.

If you have a disability and wish to participate, or to review the materials, in these proceedings, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail, or other means.

If you have questions about this matter, you may call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions by Internet e-mail addressed to psc@state.de.us; include "PSC Docket No. 13-349F" as the subject.